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C O N F I D E N T I A L SECTION 01 OF 03 CARACAS 003427

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TAGS: PGOV PREL VE

SUBJECT: ELECTION UPDATE: ROSALES INROADS, STILL UPHILL
BATTLE

REF: A. CARACAS 003319

1B. CARACAS 003407

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Classified By: ACTING POLITICAL COUNSELOR DANIEL LAWTON,
REASON 1.4 (D)

11. (C) Summary. Consensus opposition candidate Manuel Rosales continues to wage a strong, credible campaign against President Chavez. Rosales' political strength is now greater than the sum of the parts of the opposition that united behind him in August, and recent endorsements of his candidacy could help him persuade potential supporters to vote, rather than abstain. Nevertheless, recent polling data suggests that Rosales still trails Chavez by at least 15 percent among likely voters, and Rosales probably lacks both the time and resources necessary to make up that difference by December 3. Chavez continues to exploit his incumbent position to shower potential voters with government spending and to showcase big public infrastructure projects. At the same time, Chavez continues to inject fear into the campaign, countering the Rosales campaign's efforts to persuade its supports to "dare to vote for change." End Summary.

Polls, Polls, Polls

12. (C) A number of pollsters have released their findings in recent weeks, and while their results vary (and interpretations of the data even more), the pattern that is emerging in the last weeks of the campaign is that President Chavez continues to maintain about a 15 percent lead among likely voters over opposition candidate Rosales. DATOS pollster Edmund Saade told poloff that he believes the intention to vote for Rosales is around 35 percent and continues to climb, while support for Chavez is at about 50 percent. He predicted the final vote tallies would be 40 or 45 percent for Rosales and 55 to 60 percent for Chavez, a comfortable margin of victory but far short of Chavez' stated goal of securing 10 million votes.

13. (C) Pollster Alfredo Keller released a recent poll suggesting that firm support is rising for Rosales and falling for Chavez. Rather than focus on stated voter intentions, Keller projected how undecided voters will vote based on their leaning on individual issues and concluded that Rosales is trailing Chavez by a much smaller margin than the 15-20 percent in other prominent local polls. Rosales

campaign people continue to insist that the "fear factor" is skewing polling preferences toward Chavez by some 12 percent.

They also cite recent polls commissioned by the campaign that ensure the confidentiality of respondents to argue that Rosales is pulling even with Chavez. More candid Rosales advisors, however, concede that support for Rosales is hovering close to 40 percent, but has not yet moved beyond that threshold.

The Church Weighs In

14. (SBU) In an interview published in a recent Catholic Church weekly, Venezuelan Cardinal Jorge Urosa Savino urged the National Electoral Council (CNE) to eliminate the use of fingerprint (digital scanning) machines during the December 3 presidential election. Underscoring his concern about political polarization and rumors of "destabilization" plans in Venezuela, Cardinal Urosa also urged Venezuelans to respect the will of the electorate and eschew political violence. In an "El Nacional" interview published November 13, retired (and much more outspoken) Venezuelan Cardinal Rosalio Castillo Lara compared the upcoming Venezuelan election to the 1948 election in Italy between the Christian Democrats and Communist Party. Cardinal Castillo Lara said that a Chavez victory would mean "the definitive destruction of democracy with a dictatorial and communist regime similar to Cuba,s." He added that the Catholic Church has a responsibility not to just encourage Venezuelans to vote, but also to "vote well."

Abstentionist Shifts to Rosales

15. (SBU) Former Zulia governor and 2004 Christian Democratic (COPEI) presidential candidate Oswaldo Alvarez Paz formally

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endorsed Manuel Rosales in an October 30 press conference. Previously citing inadequate electoral conditions that favor Chavez' re-election, Alvarez Paz had been one of the opposition's most strident and articulate advocates of abstaining in the upcoming presidential election. The Rosales campaign continues to try to persuade potential supporters to vote, rather than to stay at home, and Alvarez Paz's endorsement helps the Rosales campaign build the case against abstentionism. The leadership of the Democratic Action (AD) party continues to espouse abstentionism, despite that fact that many of its members are actively supporting Rosales.

"El Conde" Pasa

16. (C) Minor third party candidate and comedian Benjamin Rausseo ("El Conde de Huacharo") formally withdrew November 15 from the presidential election. Rausseo, who was polling negligible support in opinion polls, was recently hospitalized for "nervous exhaustion." Rausseo did not endorse either Rosales or Chavez and lamented political polarization in Venezuela. Rausseo campaign leaders across Venezuela had been pressing Rausseo to withdraw from the campaign and endorse Manuel Rosales for some time. Rausseo campaign advisors Pedro Penzini and Humberto Anzola told PolCouns November 9 that they and other key advisors intended to work for Rosales, even if Rausseo did not.

17. (C) Rausseo was wary of potential government reprisals if he endorsed Rosales, according to Penzini and Anzola. BRV tax authorities temporarily shut down Rausseo's theme park in the state of Nueva Esparta early in the campaign for alleged non-payment of taxes. Since then, law enforcement agencies have more recently threatened to move against at

least one of Rausseo's Caracas hotel properties for operating an illegal casino. Penzini said Rausseo had ceased actively campaigning in early October, primarily due to a shortage of funds.

The Chavez Gravy Train

18. (SBU) President Chavez continues to announce a number of spending measures and inaugurate important infrastructure projects in the run-up to the presidential election. Chavez:

-- announced a 10% increase in Venezuela's minimum wage in late September (on the heels of a 15% increase in February 2006);

-- opened in late October the new railway line between the ex-urban areas of the Valles of Tuy and the Caracas Metro and declared the line run free of charge until December 31;

-- moved up holiday bonuses for public sector employees (two months salary was paid on November 1 and another month's salary will be paid by December 1);

-- held another ceremony in early November to disburse outstanding severance payments to thousands of former government employees; and,

-- inaugurated November 13 with Brazilian President Lula Da Silva a USD 1.2 billion dollar bridge over the Orinoco River (this second bridge over the Orinoco was reportedly ready for opening months earlier).

Electoral Conditions

19. (SBU) Information Minister William Lara strongly defended the use of fingerprint (digital scanning) machines to the media during the weekend of November 11-12. CNE Rector Vicente Diaz, the only one of five CNE rectors considered to be independent and not pro-government, told the local media that the fingerprint machines maintain the secrecy of the vote, but recommended that the machines not be used due to public concerns about the machines. The CNE's audit of the voting machines began on November 9 with opposition participation. The Rosales campaign has filed hundreds of electoral complaints with the CNE, mostly related to unfair use of government resources and media in the Chavez campaign.

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The Chavez campaign has also submitted a large number of counter-complaints against the Rosales campaign with the CNE. The CNE is unlikely to adjudicate the vast majority of both sides' complaints before the December 3 election.

110. (SBU) Opposition candidate Rosales last publicly complained of electoral violence during an October 19 press conference in Carabobo State after small groups of Chavistas launched rock-and-bottle attacks on his campaign caravans. Rosales blamed the attacks on President Chavez, whom he accused of importing Cuban-style political intimidation tactics. Since that time, Rosales has led a series of well-attended rallies in Caracas and in a variety of states without violent incidents. However, visiting Spanish Partido Popular National Deputy Jorge Moragas, who endorsed Rosales during a recent visit to Venezuela (along with visiting Partido Popular member of the European Parliament and former Spanish Interior Minister Jaime Mayor Oreja), told reporters November 8 that Chavistas threw rocks at him in downtown Caracas.

A Red Army?

¶11. (SBU) On the heels of the video revelation that Energy and Petroleum Minister Rafael Ramirez told state oil company PDVSA managers that they needed to be "red, very red (i.e., pro-Chavez)" (Reftel), President Chavez endorsed those comments and added that the Venezuelan armed forces are also "red, very red." Defense Minister Raul Baduel told the local media November 8 that the armed forces are patriotic and subordinate to political authority, but also an essentially "professional" institution. Presidential Staff Member Admiral Luis Cabrera Aguirre, however, ratified Chavez' statement telling the media that all the organizations of the government, including the armed forces, need to be "red, very red" because that is the color of the "Venezuelan revolution."

¶12. (SBU) BRV efforts to tie the Venezuelan military to the Chavez campaign appear to be intensifying. Recently, the facade of the National Military Academy of Venezuela was redecorated with the slogan "Cradle of the Bolivarian Revolution" in big letters underneath the name of the institution. In addition, an enormous inflatable representation of President Chavez was placed on the roof of the 53rd detachment of the National Guard at the international airport in Maiquetia, outside Caracas. Over 100,000 members of the armed forces, including a large proportion of military reserves, will guard the more than 11,000 voting stations in Venezuela (Septel).

BROWNFIELD